

CONFORMED COPY

04-264

USAID Project No. 492-0456

AMENDMENT NO. 7
TO THE
PROJECT GRANT AGREEMENT
BETWEEN THE
REPUBLIC OF THE PHILIPPINES
AND THE
UNITED STATES OF AMERICA
FOR THE
MINDANAO DEVELOPMENT PROJECT

Date: August 6, 1999

MINDANAO DEVELOPMENT PROJECT

AMENDMENT NO. 7 TO PROJECT GRANT AGREEMENT NO. 492-0456

THIS AMENDMENT NO. 7 is entered into as of the 6th day of August, 1999, between the REPUBLIC OF THE PHILIPPINES (the "Grantee") and the UNITED STATES OF AMERICA, acting through the United States Agency for International Development ("USAID").

WHEREAS, the Grantee and U.S.A.I.D. entered into Project Grant Agreement No. 492-0456 (the "Agreement") on September 28, 1990, whereby USAID agreed to provide an initial increment of \$14,484,000 in Grant funds for the Mindanao Development Project (the "Project").

WHEREAS, through six previous amendments to the Agreement, the amount of Grant funds was increased to \$99,500,000;

WHEREAS, USAID desires to increase further the amount of Grant Funds by US\$2,249,444;

NOW, THEREFORE, the Grantee and USAID hereby agree to amend the Agreement as follows:

1. Paragraph (a) of Section 3.1 (the "Grant") is amended by deleting the phrase "Ninety Nine Million Five Hundred Thousand United States ("U.S.") Dollars (\$99,500,000), ("Grant") and substituting the phrase "One Hundred One

Million Seven Hundred Forty Nine Thousand Four Hundred Forty Four United States Dollars (\$101,749,444) ("Grant")."

2. Paragraph (b) of Section 3.2 ("Grantee Resources for the Project") is amended in its entirety to read as follows:

"Resources provided or caused to be provided by the Grantee for the Project will not be less than the equivalent of US\$33,916,481.33 in cash and/or "in kind". An additional Pesos 54,743,977.95 (\$2,160,718.01) will be in cash expenditures to offset value-added tax (VAT) charges, including expanded VAT charges, assessed on Grant-financed goods and services during the life of the Agreement."

3. Annex I ("amplified Project Description") is amended by deleting Attachment 1 thereto ("Financial Plan") and substituting therefore the new version of Attachment 1 which is attached hereto.

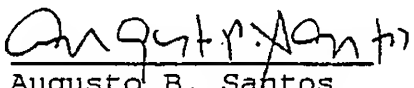
Except as expressly amended herein, the Agreement shall continue in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.


REPUBLIC OF THE PHILIPPINES

UNITED STATES OF AMERICA

By:


Augusto B. Santos
Assistant Director-General
National Economic and
Development Authority

By:


Jon Breslar
Acting Mission Director
U.S. Agency for
International Development

MINDANAO DEVELOPMENT PROJECT
REVISED FINANCIAL PLAN
PROJECT NO. 492-0456
(in U.S. Dollars)

PROJECT ELEMENT	OBLIGATION after MDP Am. No. 6	ADJUSTMENT in OBLIGATION	REVISED LIFE-OF-PROJECT AMOUNTS		
			AID	GOP/PRIVATE SECTOR 1/	TOTAL
SC Airport	30,843,337.48		30,843,337.48	11,630,383.48	42,473,720.96
Marikina Port Improvement	13,573,566.58		13,573,566.58	4,564,177.97	18,137,744.55
Agro-Processing Complex					
Growth Plan	40,958,095.94	2,249,444.00	43,207,539.94	15,164,165.62	58,371,705.56
Other Studies	250,803.06		250,803.06	88,596.23	339,399.29
Monitoring, Eval. & Audit	1,169,000.00		1,169,000.00	394,810.39	1,563,810.39
South Cotabato Highways	12,705,196.94		12,705,196.94	4,235,065.65	16,940,262.59
TOTAL	99,500,000.00	2,249,444.00	101,749,444.00	36,077,199.34	137,826,643.34

any party may unilaterally, with written notice to the other, adjust line items in this budget to a maximum of 15 percent per line provided, however, that the total obligated amount as shown in the budget is not exceeded; the total contribution by theantee is not reduced; and the amount budgeted for evaluation and audit is not reduced.)

Counterpart Contribution will be as follows:

	In Cash Expenditures		Total
	In Cash/Kind	For VAT	
Roxas Foundation	\$ 903,205.00	\$ 9,100.00 (or Pesos 227,500)	\$ 912,305.00
Bankers' Association of the Philippines	\$ 1,766,666.67	\$ 104,224.51 (or Pesos 2,605,612.84)	\$ 1,870,891.18
ers	\$ 31,246,609.66	\$ 2,047,393.50 (or Pesos 51,910,856.11)	\$ 33,294,003.16
total	\$ 33,916,481.33	\$ 2,160,718.01 (or Pesos 54,743,977.95)	\$ 36,077,199.34

h:\ed\mdpam7